

Annual Report

Kontiki Lead & Zinc Mines Limited



For the Year Ended December 31st, 1968

DIRECTORS

M. J. BOYLEN - - - - - TORONTO, ONTARIO
D. W. GORDON - - - - - TORONTO, ONTARIO
GORDON L. MOORE - - - - - ISLINGTON, ONTARIO
CHARLES B. BRANNIGAN - - - - - TORONTO, ONTARIO
GORDON F. PUSHIE - - - - - ST. JOHN'S, NEWFOUNDLAND

OFFICERS

M. J. BOYLEN - - - - - *President*
D. W. GORDON - - - - - *Vice-President*
GORDON L. MOORE - - - - - *Secretary-Treasurer*
CHARLES B. BRANNIGAN - - - - - *Assistant-Secretary*

TRANSFER AGENT
AND REGISTRAR

GUARANTY TRUST COMPANY OF CANADA,
Toronto, Ontario

AUDITORS

SNYDER, CRAIG & CO.,
Toronto, Ontario

HEAD OFFICE

Suite 908, 330 Bay Street,
Toronto, Ontario

KONTIKI LEAD & ZINC MINES LIMITED

Directors' Report

To the Shareholders:

The financial statements of the Company for the fiscal year ended December 31, 1968, notes relevant thereto and the Report of the Auditors, are submitted herewith.

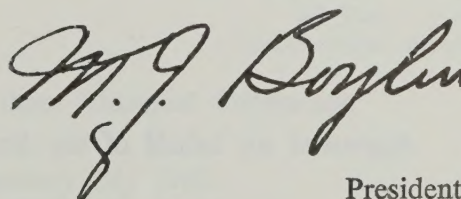
PROVINCE OF BRITISH COLUMBIA

The Company's mining claims in the Nelson Mining Division, District of West Kootenay, British Columbia, are maintained in good standing. No exploration work was carried out on these claims during 1968. A re-study of this group of claims was made and it appears that some deep diamond drilling is warranted. No decision has yet been made to proceed with such a program.

JOHAN BEETZ TOWNSHIP — PROVINCE OF QUEBEC

Your Company owns a group of 30 claims in the vicinity of Lac Veronique, about thirty miles north and east of the village of Baie Johan Beetz. A copper discovery was made on claims adjoining our Lac Veronique group on the east. However, our investigation indicated that this base metal mineralization could not be traced onto Kontiki ground. In the meantime, sufficient work has been done to maintain the claims in good standing until February, 1970.

On behalf of the Board of Directors,



President.

Toronto, Ontario.
February 25, 1969.

KONTIKI LEAD & Z

(Incorporated under the laws of the Province of British Columbia)

Balance Sheet— (With comparative figures for 1967)

ASSETS

	1968 \$	1967 \$
Current		
Cash	<u>1</u>	<u>5</u>
Investments		
Shares of other mining companies having a quoted market value, at cost (See Note) (Quoted market value \$26,840 — 1967 \$35,890)	<u>87,991</u>	<u>91,025</u>
Fixed		
In the Province of British Columbia:		
3 Crown grants in the Nelson Mining Division, District of West Kootenay, at nominal value	<u>1</u>	<u>1</u>
In the Province of Quebec:		
30 mining claims in the Township of Johan Beetz and projected Township 1076, Electoral District of Duplessis, at cost	<u>8,344</u>	<u>8,344</u>
	<u>8,345</u>	<u>8,345</u>
Deferred Expenditures		
Exploration expenses	<u>1,057</u>	<u>—</u>
	<u>97,394</u>	<u>99,375</u>

Approved on behalf of the Board.

M. J. BOYLEN, Director.

G. L. MOORE, Director.

NC MINES LIMITED

Laws of Ontario)

December 31, 1968

figures for 1967)

LIABILITIES

Current	1968 \$	1967 \$
Accounts payable and accrued liabilities	<u>25,655</u>	<u>21,376</u>

SHAREHOLDERS' EQUITY

Capital stock

Authorized:

3,500,000 Shares of \$1, par value \$3,500,000

Issued:

2,600,005 Shares	2,600,005	2,600,005
Less: Discount thereon	<u>1,990,000</u>	<u>1,990,000</u>
	610,005	610,005

Deficit

Balance, beginning of year	532,006	529,389
Add: Loss on sale of investments	2,553	—
Administrative expenses for the year	<u>3,707</u>	<u>2,617</u>
Balance, end of year	<u>538,266</u>	<u>532,006</u>
Net shareholders' equity	<u>71,739</u>	<u>77,999</u>
	<u>97,394</u>	<u>99,375</u>

The Note attached forms an integral part of these Financial Statements.

Submitted with our Report to the Shareholders dated January 24, 1969.

SNYDER, CRAIG & CO.,
Chartered Accountants.

SNYDER, CRAIG & CO.

CHARTERED ACCOUNTANTS

CABLE ADDRESS "JNOCRAIG"
TELEPHONE EMPIRE 6-9444

330 BAY STREET

TORONTO
CANADA

To the Shareholders of
KONTIKI LEAD & ZINC MINES LIMITED,
Toronto, Ontario.

We have examined the Balance Sheet of Kontiki Lead & Zinc Mines Limited as at December 31, 1968, the Statements of Exploration and Administrative Expenses and Source and Application of Funds for the year ended on that date and the Note to the Financial Statements. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

No provision has been made for the excess of cost over market values of the investments in shares of other mining companies.

Subject to the above limitation, in our opinion, the attached Balance Sheet, the Statements of Exploration and Administrative Expenses and Source and Application of Funds and the Note to the Financial Statements present fairly the financial position of the company as at December 31, 1968, the results of its operations and the source and application of its funds for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

SNYDER, CRAIG & CO.,
Chartered Accountants.

January 24, 1969.

KONTIKI LEAD & ZINC MINES LIMITED

Statement of Source and Application of Funds

For the year ended December 31, 1968

(With comparative figures for 1967)

	1968 \$	1967 \$
Source of Funds		
Sale of investments	481	—
Application of Funds		
Acquisition of mining claims	—	8,344
Administrative expenses	3,707	2,617
Exploration expenses	1,057	—
	<u>4,764</u>	<u>10,961</u>
Resulting in a decrease in working capital of	4,283	10,961
Deficiency in working capital, beginning of year	21,371	10,410
Deficiency in working capital, end of year	<u>25,654</u>	<u>21,371</u>

Note to Financial Statements

December 31, 1968

	No. of Shares	Market Value 1968 \$	Book Value 1968 \$	1967 \$
Investments				
Beauce Placer Mining Co. Ltd.	7,000	490	5,250	5,250
The Coniagas Mines, Limited (1,000 shares sold during year)	19,000	8,550	57,641	60,675
Northern Canada Mines Limited	20,000	17,800	25,100	25,100
		<u>26,840</u>	<u>87,991</u>	<u>91,025</u>

KONTIKI LEAD & ZINC MINES LIMITED

Statement of Exploration and Administrative Expenses

For the year ended December 31, 1968

(With comparative figures for 1967)

	1968 \$	1967 \$
Exploration Expenses		
Johan Beetz Area Claims		
Aero-magnetometer and spectrometer surveys	446	—
Equipment removal	111	—
Licenses and fees	360	—
Miscellaneous camp expenses	140	—
Total Exploration Expenses	<u>1,057</u>	<u>—</u>
Administrative Expenses		
Acreage taxes	—	29
Bank charges	10	—
Capital and place of business tax	79	45
Filing fees	10	15
Head office administration	1,200	1,200
Legal and audit	676	125
Listing and sustaining fees	100	100
Office and general expenses	189	49
Reports to Shareholders	847	588
Transfer agent and registrar fees	596	466
Total Administrative Expenses	<u>3,707</u>	<u>2,617</u>